LNF & IHCIF Calculations Illustration

- TABLE MOUNTAIN in California area -

Given Data

- 26 = 1998 user count
- $2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 107.7% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = California area cost index for health status above or below average

Cost Adjustment Calculations

- $2,888 per person for purchased services = 90% * 107.7% * $2,980
- $404 per person for in-house services = 10% * 135.7% * $2,980
- $3,292 per person total = $2,888 (purchase) + $404 (in-house)
- **$3,158 per person total** adjusted for health status = $3,292 * 95.9%
- **$2,413 per person net cost** = $3,158 - $745 Other resources (M&M&PI)

Existing Expenditures (for 26 users excluding wrap-around and collections)

- $2,382 per person = local IHS allowance (excludes $ for wrap-around)
- $222 per person = expenditures elsewhere in California area on behalf of area users
- $54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **$2,658 per person for OU users** = $2,382 + $222 + $54

LNF Calculation

- **84.2% Gross LNF** = $2,658 (expenditures) / $3,158 total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **110.2% Net LNF** = $2,658 / $2,413 net cost ($3,158 - $745 other)

IHCIF Allocation

- $0 = $ to raise LNF% from 110.2% to 60%
- $258,040,100 = aggregate $ to raise all locations to 60%
- 3.488% IHCIF fraction = $9,000,000 fund / $258,040,100 needed
- **$0 Allocation** = $0 needed for 60% * 3.488% IHCIF fraction

TABLE MOUNTAIN Unmet Needs

- **$62,739 Net Total Need** = 26 users * $2,413 net cost
- **$0 Net Unmet Need** = (100% - 110.2% LNF) * 26 users * $2,413 net cost